

REMARKS

In the office action of December 30, 2005, the Examiner rejected all claims as unpatentable over Williams ('995) in view of Schlamp ('265) and Liff ('485). Applicant respectfully traverses the rejections and submits that 1) the "Final" designation of the office action was premature and improper; 2) the office action fails to set forth a prima facie case of obviousness; and 3) the office action fails to even address the secondary considerations of non-obviousness. Therefore, Applicant respectfully suggests that all claims should be allowed.

Premature Final Office Action

As an initial matter, Applicant respectfully notes that the "Final" designation in the office action was premature. Claims 81-94 were unamended except that Applicant added the word "be" to claim 81 to correct a grammatical error. Because the claim scope has not changed, it was improper to raise a new basis for rejection, while at the same time making the office action "final." MPEP § 706.07(a). In the July 2005 office action, Liff et al. was only cited against claim 93. In the December 30, 2005 Office Action, the Examiner changed the rejection of claims 81-92 and 94 from Williams and Schlamp to Williams in view of Schlamp and Liff et al. Thus, Applicant requests withdrawal of the "final" designation in the office action.

Lack of Prima Facie Case of Obviousness

The initial burden of presenting a prima facie case of obviousness rests with the examiner. *In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443m 1444 (Fed. Cir. 1992). It is impermissible to conclude that an invention is obvious based solely on what the examiner considers to be basic knowledge or common sense. *See In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1613, 1697 (Fed. Cir. 2001). Thus, the burden is on the examiner to identify concrete evidence in the record to support his conclusion that it would have been obvious to employ the

device taught in Schlamp in combination with the pharmacy of Williams and the machine of Liff et al. See *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1316-17 (Fed. Cir. 2000). This burden can only be met by showing either "some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references." *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596, 1598 (Fed. Cir. 1988) (citations omitted). In establishing a prima facie case of obviousness, the PTO "cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention." *Id.* at 1600. While Applicant admits that virtually every element of a claim may be found somewhere in the prior art, this is not the test to determine whether the prior art renders the invention obvious. Rather, "[t]he test is whether the claimed invention as a whole, in light of all the teachings of the references in their entireties, would have been obvious to one of ordinary skill in the art at the time the invention was made." Connell v. Sears, Roebuck & Co., 220 U.S.P.Q. 193, 199 (Fed. Cir. 1983).

Applicant believes that the Examiner has failed to make a prima facie case of obviousness in that he has failed to show either (a) some objective teaching in the prior art that suggests combining the references, (b) knowledge generally available to one of ordinary skill in the art which would lead that individual to combine the relevant teachings of the references to achieve the invention claimed, or (c) that the combination would teach each element of the rejected claims. See *In re Fine*, 5 U.S.P.Q.2d 1596, 1598 (Fed. Cir. 1988).

When making a rejection under 35 U.S.C. § 103 there are three fundamental areas the Examiner is required to cover under 37 CFR § 1.106 and MPEP § 706.02. First, the rejection should set forth the differences between the claims and the prior art. Second, the proposed modification of the applied references necessary to arrive at the claimed subject matter should be

set out. Third, there must be an explanation as to why such proposed modifications would be obvious. *See* MPEP 706.02(j). Furthermore, the suggestion to combine the references must come from the prior art, and not from the teachings in Applicant's disclosure. *In re Vaeck*, 947 F.2d 488 (2001). With the above background in mind, the rejections under 35 U.S.C. § 103 will be discussed.

In the final office action, the Examiner rejects 52 claims as being obvious based on a combination of a pharmacy, a machine for vending merchandise, and a machine for dispensing prepackaged medicine and printing prescription labels in a doctor's office. Two pages are spent discussing the prior art, why it would be obvious to combine references from completely different industries and applying those references to the claims. In fact only two claims are even specifically referenced, despite the fact that the claims have numerous different elements and points of novelty. Therefore, a prima facie case of obviousness has not been made.

The combination of Williams, Schlamp and Liff et al. has not been supported

In the office action, the Examiner asserts that it would have been obvious to combine Williams and Schlamp because Schlamp teaches holding a merchant's goods and Williams teaches the use of a will call area. The Examiner explains why it would be obvious to use Schlamp so that medication can be placed in one side and taken from the other, but fails to address why one would use Schlamp in the first place. As noted above, there must be a teaching in the art which suggests the combination – and that teaching cannot come from Applicant's disclosure. *In re Vaeck*, 947 F.2d 488 (2001). The mere fact that Schlamp teaches a vending device is inadequate. Vending devices have existed for over a hundred years. The very art of record in the present case, demonstrates that the pharmacy industry has not relied on such technology to store and dispense filled prescriptions.

Furthermore, the teachings of Schlamp would discourage one of skill in the pharmacy art from utilizing the system of Schlamp. In Schlamp, access to the contents of a bin is obtained by simply entering a customer number and then providing payment. Col 6, lines 33-44. A person entering the wrong customer number could access the goods in Schlamp. Such a situation, however, is unacceptable in the pharmacy trade, as a wrong prescription can be a life and death matter.

The art of record in this case has shown that the industry has looked in very different directions. While it is clear from the prior art that there is a substantial need to improve efficiency in pharmacies, none of that art suggests using a device which receives and then vends filled prescriptions. Rather, most of the art either speeds up the back end (i.e. filling the prescription) or attempts to replace the entire pharmacy with a kiosk loaded with a limited number of high demand medications. Furthermore, as Applicant noted in the last office action, after Applicant disclosed his invention, numerous others have sought patents on similar devices, including those who had previously utilized the Kiosk model.

Applicant respectfully suggests that one of ordinary skill in the art would not look to Schlamp apart from the disclosure of Applicant's invention. In fact, Liff et al., which is cited in combination with Schlamp, actually teaches away from the combination suggested by the Examiner. Liff et al. teaches a machine which dispenses prepackaged prescriptions and labels to a doctor so that a doctor or other health care worker can fill the prescription instead of a pharmacist. Col. 4, lines 54-59.

The final office action also fails to set forth a prima facie case of obviousness because it fails to identify the specific elements of the claims and explain where those elements are taught by a combination of the references as taught by those references.

Even if the combination were made, the Examiner has failed to explain where the respective elements are taught in the prior art and the basis for selectively combining those references to achieve **each** element set forth in the claims. For example:

Claim 60 combines the elements of filling a prescription, loading the filled prescription into the dispenser, storing information about a patient about the patient and dispensing the medication to a customer only after the information associated with the patient is entered. Williams teaches only filling a prescription. Liff et al. teaches dispensing the medication, then filling it by applying the label and handing it to the patient. Schlamp does not teach or suggest use with a prescription. Furthermore, Schlamp requires only the entry of a customer number, rather than any information specifically tied to a patient. Thus, the elements of claim 60 are not taught. As the final office action does not set forth a prima facie case of obviousness, the claim should be allowed.

Claims 61-65 add additional novelty. For example, none of the references teach storing prescription information, tracking the location of a plurality of filled prescriptions, and correlating that information with patient information.

Claim 66 adds the novelty of counseling being provided by the automated dispenser. This point of novelty is clearly not taught by any of the reference upon which the Examiner is relying.

Likewise, Claim 68 adds additional novelty. The claim requires billing an insurance company at the time of sale. Contrary to the assertions by the Examiner, this is not taught by Liff et al. Specifically, Liff et al. states that it can accept third party payer cards, and that the system can “format electronic third party billings for processing by the health care provider.”

Col. 4, lines 35-36 and Col. 9, lines 12-19. Clearly, if the billings are being further processed by the health care provider they are not being billed to the insurance company at the time of sale.

As noted in the previous amendment, Claim 69 includes the element of the dispensing machine verify the prescription with the customer after the customer enters information, and that the prescription is dispensed after verification of the prescription. This element is not taught in the prior art and no explanation is given as to why the claim would be obvious. Thus, claim 69 and all claims dependant thereon should be allowed.

Likewise, Claim 75 requires that at least two pieces of information are received into the dispenser from the customer to verify identification of the customer. This is not taught in Schlamp, as such would not be necessary when one is selling fungible goods. It is also not taught in Williams or Liff et al. Thus, claim 75 and all claims dependant thereon should be allowed.

Claim 77 adds the further point of novelty of automatically billing a third party at the time of sale. Liff teaches formatting an electronic payment request for further processing by the health care provider. Thus, the combination lacks at least two elements of the claim.

Claim 81 has been amended in response to the new rejection. The claim requires the entry of multiple pieces of information associate with a patient (which is not taught in the cited art) and verifying at least of patient information and prescription information with the person prior to dispensing the filled prescription. In Schlamp there is no such teaching, as it would be unnecessary for selling fungible goods. Williams and Liff et al. lack such elements as it is unnecessary when the patient is delivered to the patient or customer by a health care professional.

Claim 82 is patentable. While the examiner asserts generally that it would be obvious to place sensors in each of Williams bins in light of Liff et al., this argument misses the point. First, the bin in Williams is a will call bin or shelf which has no need for sensors. The items are in plain sight. Second, Liff et al. teaches the use of sensors to determine its inventory level of prepackaged medication containers. They do not scan information about filled prescriptions. Thus, not only is there no suggestion to combine the references, the combination fails to teach the elements of the claims.

Claim 83 is patentable, as none of the art teaches utilizing scanned information to determine the location of the filled prescription. Williams uses a conventional open will call area. In Liff et al., the prescription is only filled after it dispensed from the machine. Thus, the prior art neither suggests the combination, not teaches the elements of the claim if combined.

Claim 86 is patentable. None of the art teaches using a sensor to determine if a filled prescription is in a holding receptacle. The Examiner attempts to rely on Liff et al. for this teaching. Liff et al., however, merely teaches that sensors are used to verify inventory of prepackaged medicine. The combination of the art simply does not teach verifying the presence of a filled prescription in a medication holding receptacle. To the contrary, Liff et al. dispenses the medication before is it a filled prescription. Liff does not scan or otherwise treat individual containers of medicine as unique, as is necessary with filled prescriptions but unnecessary with bulk prepackaged medication.

Claim 87 through 90 are patentable, as there is no teaching in the cited art to utilize a method as set forth in those claims.

Claim 91 is clearly patentable over the cited art. None of the art teaches a filled prescription into a trough for access by a customer after the customer inputs certain information.

Even if the combination of Williams, Schlamp and Liff et al. were proper, this claim element is simply not taught.

Claims 92-94 are patentable, as there is no suggestion to combine the references in such a way as to have each element of these claims. For example, the prior art does not teach such a method in which the prescriptions are periodically removed.

Claim 95 is patentable as the cited art does not teach scanning the prescription and storing it in the system and correlating the information about the prescription with the location of the prescription as set forth in claim 95. Thus claim 95 and all claims depend thereon should be allowed.

Claims 101 and 102 are patentable. There is simply no suggestion in the prior art to selectively pick and choose from Williams, Schlamp and Liff et al. to use a method in which a plurality of prescriptions are filled and stored in a machine, patient information is entered, the location of the prescriptions correlated, and the other elements of the claims. The Examiner provides only vague generalities and fails to make a prima facie case that each element in the claim is taught in the cited art.

Claim 103 is patentable. In addition to the lack of support for the combination, even the combination suggested by the Examiner fails to teach a method which includes sensing the location of a filled prescription to verify the location of the prescription. Claims 104-106 add further points of novelty.

Claims 107 through 112 have been previously added which are patentable over the prior art. The Examiner has failed to make a prima facie showing that the prior art teaches sensing the prescription with an electronic sensor, requiring multiple pieces of information to confirm identify and verifying the prescription with the customer. The prior art also does not teach

verifying location of the filled prescription with sensors, or scanning information about the prescription prior to loading the prescription. Likewise, the prior art does not teach automatically billing a third party for part of the cost of the prescription.

The Office Action Fails to Consider Secondary Considerations of Non-Obviousness.

The final office action is also flawed because it fails to take into account the secondary considerations of non-obviousness. In *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966) and many cases since, the Courts have identified different factors which must be considered when evidence is present. These include, evidence of commercial success, fulfilling a long-felt need, the failure of others to solve the problem and copying. *Custom Accessories, Inc. v. Jeffrey-Allan Industries*, 807 F.2d 955, 960 (Fed.Cir.1986). Secondary considerations must be considered before a decision on obviousness is reached. *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538 (Fed.Cir.1983). Furthermore, secondary considerations may be the most revealing evidence available, *Ashland Oil, Inc., v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 306 (Fed.Cir.1985), *cert. denied*, 475 U.S. 1017, 106 S.Ct. 1201, 89 L.Ed.2d 315 (1986); *Custom Accessories, Inc.*, 807 F.2d at 960; *W.L. Gore & Associates v. Garlock, Inc.*, 721 F.2d 1540, 1555 (Fed.Cir.1983), *cert. denied*, 469 U.S. 851, 105 S.Ct. 172, 83 L.Ed.2d 107 (1984), and are entitled to great weight when the evidence is strong. *Simmons Fastener Corp.*, 739 F.2d at 1576. *See also Panduit Corp. v. Dennison Manufacturing Co.*, 810 F.2d 1561, 1569 (Fed.Cir.), *cert. denied*, 481 U.S. 1052, 107 S.Ct. 2187, 95 L.Ed.2d 843 (1987) (" 'In appraising an inventor's contribution to the art ... the most reliable test is to look at the situation before and after it appears' ") (quoting *Safety Car Heating & Lighting Co. v. General Electric Co.*, 155 F.2d 937, 939 (2nd Cir.1946) (L. Hand, J.)).

In the present case, there is no dispute that there is a long-felt need. The record is full of different systems designed to improve the efficiency off pharmacies. Williams, Liff et al., and both Lion patents are drawn to this end. *See e.g.* Lion ‘575, Col. 1, lines 17-26. Attempts at automating portions of pharmaceutical delivery have been made for more than thirty years. Liff et al., Col. 1, lines 5-6. Despite these attempts, however, there are still needs for improvement. As noted in the last amendment, until Applicant’s invention, the pharmacy industry did not look to machines such as in Schlamp, even though used in other industries, as a viable solution.

The prescription filling art raised by the Examiner falls into two general categories. One teaches methods for speeding up the back end – i.e. prescription filling – of the pharmacy (e.g. Liff et al., Williams). The other seeks to replace the pharmacy with an integrated filling/dispensing kiosk (e.g. Lion ‘491). None of the art taught using a machine to receive and then dispense a filled prescription. Thus, there is a demonstrated long-felt need and Applicant has provided a solution to that need.

The desirability of Applicant’s solution is demonstrated by those who have sought to apply Applicant’s solution to the problem. After the public disclosure of Applicant’s invention, several other entities have filed for patents on “front end” prescription dispensing systems. *See e.g.* Rosenblum (U.S. Patent No. 6,892,941), Pinney (U.S. Publication No. 2005/0023286), Baker et al. 2005/0236418). In fact, Rosenblum (U.S. Patent No. 6,529,801) initially proposed the kiosk approach. However, after the present invention was disclosed to pharmacy boards in 2000 and 2001, Rosenblum added a new approach similar to that claimed in Applicant’s invention.

Additionally, Applicant has received substantial unsolicited media coverage of the regarding the devices which implement the invention, and has received significant product

inquiries and orders for the invention. (See Declaration of William Holmes). It should thus be appreciated that Applicant's invention represents a revolution in pharmacy technology.

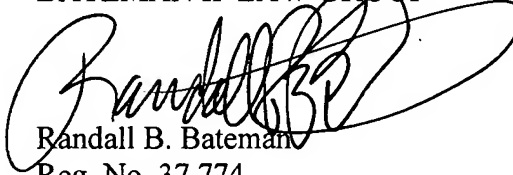
Thus, there is substantial evidence that Applicant has resolved a long-felt need after the failure of others and that there is considerable commercial success.

Applicant accordingly submits that the pending claims are allowable over the prior art and requests withdrawal of the rejections. Applicant has included a credit card authorization in the amount of \$100 to cover the excess independent claim fee.

Applicant requests that the Examiner contact Randall B. Bateman at (801) at 533-0320 to discuss any concerns with the above amendment or the now pending claims. The Commissioner is hereby authorized to credit any overpayment and debit any amount owing to Deposit Account No. 50-2720.

Sincerely,

BATEMAN IP LAW GROUP

A large, stylized handwritten signature in black ink, appearing to read 'Randall B. Bateman', is written over the printed name and registration number.

Randall B. Bateman

Reg. No. 37,774

8 East Broadway, Suite 550

P.O. Box 1319

Salt Lake City, UT 84110

Tel. (801) 533-0320

Fax. (801) 533-0323

E-mail: rbb@utah-ip.com

RBB:bhp